Power policy

3119. SHRI EKANATH K. THAKUR: Will the Minister of POWER be pleased to state:

(a) whether Government propose to follow a differential power policy approach for public and private sectors to achieve the ambitious goal of generating 60 GW power by the year 2012; and

(b) if so, the details of the proposed differential policy?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) and (b) To achieve the goal of providing power to all by 2012, a capacity of more than 1,00,000 MW is required to be added in Tenth and Eleventh Plans. National Electricity Policy provides that power being most crucial infrastructure, public sector investments, both at the Central and State Governments, will have to be stepped up. Considering the magnitude of the expansion of the sector required, a sizeable part of the investments will also need to be brought in from the private sector. The Electricity Act, 2003 creates a conducive environment for investments in all segments of the industry, both by the public sector and private sector, by removing barrier to entry in different segments. Section 63 of the Act provides for participation of suppliers on competitive basis in different segments which will further encourage private sector investment.

The Tariff Policy notified by Central Government under the provisions of the Electricity Act, 2003 stipulates that all future requirement of power should be procured competitively by distribution licensees except in cases of expansion of existing projects or where there is a State controlled/ owned company as an identified developer, where regulators will need to resort to tariff determination based on norms. The policy further stipulates that even for the Public Sector projects, tariff of all new generation and transmission projects should be decided on the basis of competitive bidding after a period of five years.

Shortage of gas in power plants

3120. SHRI B.K. HARIPRASAD: Will the Minister of POWER be pleased to state:

(a) whether both private and public sector gas-based power plants are facing acute shortage of gas, curtailing the Plant Load Factor to 60 per cent;

(b) whether there have been no substantial increases in gas production by ONGC facilities and delays in development of gas blocks by private operators like Reliance and GSPCL; and

(c) whether this gas crunch is also affecting the financial closure of a number of gas-based power projects?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) Yes, Sir. The private as well as public sector gas based power plants are facing acute shortage of gas. During the year 2005-2006 against the normative requirement of gas (for operation of gas power plants at 90% PLF) of 52.66 Million Metric Standard Cubic Meter per day (MMSCMD), the average supply was only 35.37 MMSCMD which was adequate for operation of the plants at about 60% PLF.

(b) There has been a marginal decline in gas production of ONGC over the last few years due to ageing of fields, majority of which have entered the natural decline phase.

NTPC Ltd., in the process to tie-up fuel for its Kawas and Gandhar Combined Cycle Power Project Stage-II, had issued Letter of Intent on M/s Reliance Industries Ltd., which was accepted by them. Subsequently, after series of discussion M/s RIL offered commencement of gas supplies in the time window between December, 2007 to December, 2008. NTPC Ltd., however, requested M/s RIL to expedite commencement of gas supplies from the end of 2006/early 2007.

(c) Many proposals for gas based power plants which were planned for commissioning during the last year of Tenth Plan and in the beginning of Eleventh Plan have been delayed due to non-tie up of gas availability. These projects could, therefore, not achieve financial closure.

Status of power projects in Andhra Pradesh

3121. SHRI C.RAMACHANDRAIAH: Will the Minister of POWER be pleased to state:

(a) the number of power projects under construction in Andhra Pradesh;

(b) the amount allocated to each project by Union Government and State Government;

(c) the time frame by which the projects are likely to be started and completed;

(d) the additional capacity that has been generated so far in the Tenth Five Year Plan against the target of 41,000 MW;

(e) if so, the reasons for the dismal performance in the capacity addition;

(f) the break up of additional capacity added in the First Year of the